

FILE COPY



DARLENE GREEN
Comptroller



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

Internal Audit Section



Carnahan Courthouse Building
1114 Market St., Room 608
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

January 11, 2005

Honorable Mariano V. Favazza
Circuit Clerk
Twenty-Second Judicial Circuit of Missouri
Civil Courts Building
10 N. Tucker Boulevard
St. Louis, Missouri 63101

Re: Fourth Follow-Up Review of the Circuit Clerk's Office, Revenue Accounts Report
(Project # 2005 -F1)

Dear Honorable Favazza:

We have conducted a limited follow-up review on the Circuit Clerk's Office, Revenue Accounts Report; (project #1999-39) issued February 18, 2000. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. A limited follow-up review does not necessarily involve detailed testing or verification, but instead relies on communication with department management and staff, as well as limited observations. Our purpose was to determine the status of the partially resolved and unresolved observations and recommendations from the third follow-up review issued August 25, 2003 as of September 30, 2004.

We determined that the following observations have been **resolved**:

1. **Opportunity to Improve the Completeness of Disbursements of Criminal Fees to the City of St. Louis (Observation #2a, Original Report)**

The original report recommended that Circuit Clerk's Office remit \$15,364.09 (difference between revenue received by the Circuit Clerk's Office and disbursements made to the City during the initial review period) that has not been disbursed to the City.

According to the new Assistant Finance Director, Circuit Clerk's Office manual general ledger was not completely and accurately maintained.

A thorough review of the manual general ledger, general journal and the McBee receipts (sheet) book which considered the source records to prepare disbursement details was performed by the Finance Director. The detailed review performed however, identified some minor difference between the amount collected and the amount disbursed to the City considered immaterial. The observation is now considered resolved.

2. **Opportunity to Improve the Completeness of Disbursements of Criminal Fees to the City of St. Louis (Recommendation #2b, Original Report)**

The original report recommended that the manual general ledger be corrected so that it reflects accurate account balances for the periods noted.

The Circuit Clerk's Office now maintained a computerized General Ledger. Prior ledger balances were reconciled with the McBee receipts (original records) and the general journal and adjusted balance now maintained on the Computer. Proper review and supervisory oversight is performed by the Finance Director.

3. **Lack of Adequate Management Control and Follow-Up on Prisoner Reimbursement Claims (Observation #5, Original Report)**

The original report recommended that Circuit Clerk's Office develop procedures for a management review of claims for reimbursement prior to the submission to the State. This review should include not only a review of mathematical calculations but also a comparison of the supporting documentation to the data entered on the claim form.

The Circuit Clerk's Office new Receipting Manager has documented the procedures for preparing and reviewing prisoner reimbursement claims. The procedures listed the computer processing for prison reimbursement claims, the mathematical accuracy review and the Supervisory oversight of the bill of cost prepared for the reimbursement. The observation is now considered resolved.

4. **Lack of Reconciliation between the Circuit Clerk's and City's General Ledger (Observation #6, Original Report)**

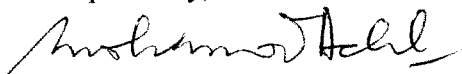
The original report recommended that the Circuit Clerk's Office implement a monthly reconciliation between the Circuit clerk's and the City's general ledger. The reconciliation should be documented and all variances investigated and documented.

According to the management it ensures that its General ledger is reconciled to the Receipt Coding Forms (RCFs) it submits to the Comptroller's Office with the corresponding checks and that it is not Circuit Clerk's responsibility to ensure that the Comptroller's Office properly enters the information in to the City's General Ledger. **We will not follow up on this issue any further.**

Since all of the observations and recommendations from the original report have now been resolved, the Circuit Clerk's Office did not consider it necessary to hold an exit conference or submit management response to this report.

If you have any questions, please contact me at 613-7410.

Respectfully,



Mohammad H. Adil, CPA
Internal Audit Supervisor

C: Honorable Darlene Green, Comptroller
Rita Kirkland, Director of Operations, Office of the Mayor
Marie Jeffries, Executive Assistant, Budget Division